



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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June 30, 1994

Mr. Edward B. King
President
Jumbo Mining Company
6305 Fern Spring Cove
Austin, Texas 78730

Re: Finalization of Permit Transfer and Reclamation Plan, Jumbo Mining Company,
Drum Mine, M/027/007, Millard County, Utah

Dear Mr. King:

By letter dated June 13, 1994, Mr. Steven Alfors, legal counsel for Western States Mining Corporation (WSMC), advised this office that WSMC has won a final judgement against Jumbo Mining Co. (JMC) and ASOMA (Utah) Inc. in the Colorado lawsuit over ASOMA's reclamation responsibility at the Drum Mine (letter attached). It is our understanding that the Colorado court ordered ASOMA to assume all reclamation and full bonding obligations for the entire Drum mine site.

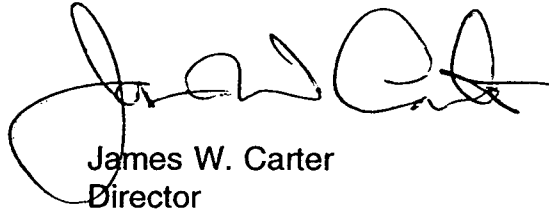
As you will recall, the Division originally received the signed partial permit transfer form on July 11, 1989. The transfer form and accompanying map identified specific portions of the Drum mine site that ASOMA/JMC would permit and bond, with the remaining portions to be retained by WSMC and secured by its original reclamation surety, until the ultimate reclamation responsibilities could be worked out between ASOMA/JMC and WSMC.

This letter is to advise you that the Division is prepared to assist you, and prioritize our scheduling accordingly, in order to help JMC/ASOMA finalize the full permit transfer process for the Drum mine. Prior to completing the permit transfer for all of the Drum mine disturbances, we will require that a revised reclamation surety be posted by JMC that adequately secures the full reclamation obligations for the mine site.

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Please feel free to contact us at your earliest convenience if we can assist you in this regard.

Very truly yours,



James W. Carter
Director

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Attachment

cc: Mr. Stephen D. Alfors, Esq. - Morrison & Foerster
5200 Republic Plaza
370 Seventeenth Street
Denver, Colorado 80202-1500

Dave Hartshorn, Drum Mine
Rody Cox, BLM, Warm Springs RA
Lowell Braxton, DOGM

M027007.jmc